

Financial Overview



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Fee Increase

On April 22, 2002, GIPSA increased inspection and weighing fees by approximately 4.6 percent. Specifically, GIPSA increased its hourly rates and certain unit rates on tests performed at other than an applicant's facility (67 *Federal Register* 13084). These increases were designed to generate revenue required to recover operational costs created by mandated cost-of-living increases to Federal salaries.

Fee Structure Adjustment Proposal

During FY 2002, GIPSA conducted a thorough review of the fee-for-services programs. This evaluation indicated a need to restructure those fees.

In FY 2003, GIPSA will consider increasing the fee rates and adjust the fee schedule for official inspection and weighing services performed in the United States, under the U.S. Grain Standards Act, as amended. The action would eliminate short-term contract rates, create new regional tonnage rates to cover local overhead, and establish a single national tonnage rate to cover headquarters overhead expenses. Specifically, GIPSA plans to propose:

- Increasing 1-year contract hourly fees to recover the increase in salary and benefits, and recover non-billed time. GIPSA is considering eliminating the 3- and 6-month contracts because they have proven to be ineffective.
- Increasing the hourly fee rates for services not performed at an applicant's facility. These hourly rates include, but are not limited to, grain grading seminars, prototype evaluation, and fees for services not listed. Increases in these hourly rates are needed to recover the full cost of labor, supplies, materials, and a portion for administrative overhead.
- Increasing unit fees to recover the full cost of labor, supplies, materials, and a portion for administrative overhead.
- Establishing a regional administrative tonnage fee designed to recover local overhead costs plus an equal share of national overhead costs. The regional fee would be applied to every ton exported from a specific field office. The full impact of this proposed fee increase would vary based on the number of tons exported and the region in which each facility is located.

**Status of GIPSA
Fee-Supported Accounts
Fiscal Year 2002**

Trust Fund Program	Revenue 09/30/02	Obligations 09/30/02	Profit/(Loss) 09/30/02	Trust Fund 09/30/02
US Grain Standards Act				
Canadian Operations	273,517	269,598	3,919	(128,751)
Inspection & Weighing	25,317,296	25,898,341	(581,045)	(3,339,097)
Official Agencies	1,310,101	1,376,872	(66,771)	4,417,829
Registration	<u>14,401</u>	<u>5,683</u>	<u>8,718</u>	<u>75,398</u>
USGSA Subtotal	26,915,315	27,550,494	(635,179)	1,025,379
Agricultural Marketing Act				
Rice Inspection	4,147,642	3,996,223	151,419	745,146
Commodity Inspection	<u>2,703,070</u>	<u>2,742,937</u>	<u>(39,866)</u>	<u>2,288,066</u>
AMA Subtotal	6,850,712	6,739,160	111,553	3,033,212
Total Fiscal Year 2002	33,766,027	34,289,654	(523,627)	4,058,590

(Totals may not add due to rounding.)

GIPSA's Appropriated Budget Authority
Fiscal Years 1997-2002
Dollars in thousands

Description	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Appropriated Funds						
Budget Authority						
Packers & Stockyards Programs	12,376	13,165	16,062	15,128 ¹	17,355 ²	17,873
Federal Grain Inspection Service	10,752	10,725	10,725	11,505	14,195	15,244
Total Budget Authority	23,128	23,890	26,787	26,633	31,550	33,117 ³

^{1/} Includes a \$200,000 transfer from the Office of the Secretary for mandatory price reporting activities.

^{2/} Includes a \$199,560 permanent supplemental appropriation for mandatory price reporting activities included in Public Law 106-554.

^{3/} Reduced by a 1-year-only rescission of \$51,071.

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